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SUBJECT: JULY 2006 EU INFORMAL ENVIRONMENTAL MINISTERIAL - FINNS SEEK "GREENING OF THE PRESIDENCY"

- 11. (U) SUMMARY: At the July 2006 EU Environmental Informal Ministerial, the GOF made clear its eagerness to begin a dialogue with the US on climate change, clean energy, and sustainable development as agreed to during the recent US-EU Summit in Vienna. Finnish contacts understand and accept the importance the US places on discussing environmental policy in the context of energy and other key issues, but they repeatedly indicated that they intend to launch a dialogue process with the US that leads to forward movement on climate change. Future "eco-taxation" may play a role in EU environmental policy and overall EU financing. End Summary.
- 12. (U) The EU held informal ministerial meetings on the Environment in Turku, Finland on July 14-16. The major theme was "Going global on eco-efficiency" in developing a new generation of environmental policy. GOF Environmental Minister Jan-Erik Enestam hosted the event that attracted 24 EU Environmental Ministers and EU Commissioner for the Environment Stavros Dimas.

Finns Seek Real Dialogue with US on Climate Change

- 13. (SBU) The GOF is eager to begin a dialogue on climate change, clean energy, and sustainable development as agreed to during the recent US-EU Summit in Vienna. GOF plans to host the first in what it hopes will be a series of trans-Atlantic climate change sessions that both sides can build upon during subsequent EU Presidencies. Tentatively the GOF will involve the Ministry of Environment, Ministry of Trade and Industry (Energy), and the Ministry of Foreign Affairs. Senior GOF sources, including the Director General of the International Affairs unit in the GOF Environment Ministry, have assured us that they understand and accept the importance the US places on discussing environmental policy in the context of energy and other key issues and that all three topics would be discussed holistically; however, forward movement on climate change with the US will be a priority.
- 14. (U) Several other Ministers also re-emphasized the connection between environmental policy and energy. Dick Roche, Environmental Minister from Ireland, went one step further in linking energy, environment, transportation, and agriculture. Germany stressed that discussions during its EU Presidency would also focus on the connection between environment, transportation, and energy. There was a united call for new sources of energy along with increased efficiency in power generation.

15. (U) The EU Environmental Ministers publicly stressed a shift toward viewing entire ecosystems rather than just climate change issues. They cited increased resource consumption as a major contributor to climate change, and recognized the demand "footprint" that EU member states are having on the overall global environment. EU Environmental ministers held that globalization has increased well being for many, including most Europeans, but that it has come at a price in terms of the overall environment and development in poorer nations. The EU continues to believe it is possible to increase overall human welfare, competitiveness, and economic growth while also reducing consumption. Enestam and Dimas called for an international framework and common rules for all countries. Enestam added that "like-minded" European countries could move forward with even more aggressive environmental initiatives rather than waiting for overall EU or global consensus.

16. (U) Looking forward, Ministers envisioned a comprehensive environmental framework that will carry on beyond 2012, including a major focus on a global emissions trading system. Demonstrating the importance they place not only on dialogue with the US but also on the relevance of some US models, they cited the state of California and seven New England states as examples of domestic willingness in the US to move in this direction. EU Environmental Ministers readily recognized the EU must hit its internal environmental goals before it can be seen as a leader to other countries like the US and Russia. The EU would also like to see agreements between countries on technology

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standards, carbon capture and storage, and greenhouse emissions. They also called for a continuation of emissions trading commitments, with emissions from the aviation industry being added to the equation. Enestam put forward a general proposal on "environmental taxation" that would shift some of the tax burden from labor to consumers of resources, and asked the European Commission to produce a "green paper on the use of market-based and financial instruments in environmental policies".

Comment

17. (U) The GOF has clearly made the launching of a meaningful dialogue on climate change with the US a major priority of its EU Presidency. During the EU informal, the ministers de-emphasized actual discussions of energy; however, they, the Finns and the rest of the EU appear to understand clearly that getting the US to the table to discuss climate will require that those discussions focus on a much broader range of topics — in particular energy security. We will continue to make sure that message is heard as the Finns move forward on this.

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